

Gulf Coast Protection District (GCPD) Update

Chief's Report on Coastal Texas Study and Recommended Plan Signed

On Thursday, September 16th, the U.S. Army Corps of Engineers Chief of Engineers signed the Chief's Report that will transmit the Coastal Texas Resiliency Improvement Plan ("Recommended Plan") included in the Coastal Texas Protection and Restoration Study ("Coastal Texas Study"). A signed Chief's Report is the critical next step towards gaining Congressional authorization and funding for the next project phase – Preliminary Engineering and Design (PED). As a reminder, the final report and final environmental impact statement for the **Coastal Texas Study** (a.k.a. the "Ike Dike") are [now available](#) online for public review.

Meetings with Potential Stakeholders

This week I met Texas Association of Business, Texas Association of Manufacturers and Texas Retail Association executive staff to discuss the Congressional legislative strategy I have developed to advance the US Army Corps of Engineers (USACE) Recommended Plan for a coastal storm surge suppression system towards authorization and funding. The supply chain disruptions that occur with a major storm or series of major storms in one season (similar to Louisiana) impacting petro-chemical and port ship channel infrastructure along the upper Gulf Coast would significantly impede manufacturing, retailers, and business operations in Texas and across the country. To illustrate, leading economic indicators have a rippling effect and help predict where prices may head:

- A slowdown in manufacturing output could signal a coming drop in retail sales as retailers stock fewer items.
- The drop in retail sales could result in lower revenues across the retail sector.
- This could cause a slowdown in a primarily service-based economy.

The legislative strategy discussed involves using state-specific factsheets as useful tools for building strategies with national associations and other states' associations to communicate with members of Congress on key committees their support for authorization and funding of the Chief's Report.

Austin Update

2021 3rd Special Session – What's Next?

September 20 – 3rd called Special Session Begins (30 days)

October 19 – Last Day of the 3rd Special Session

The Texas Legislature will convene for a 3rd Special Session, on Monday, September 20th. The Legislature's actions are limited to agenda items set by the Governor's call. While the primary purpose of the session will be redistricting, the Legislature's agenda includes:

- Legislation relating to the apportionment of the State of Texas into districts used to elect members of the Texas House of Representatives, the Texas Senate, the State Board of Education, and the United States House of Representatives.
- Legislation providing appropriations from the American Rescue Plan Act of 2021 (ARPA), Pub. L. No. 117-2.
- Legislation identical to Senate Bill 29 as passed by the Texas Senate in the 87th Legislature, Regular Session, disallowing a student from competing in University

Interscholastic League athletic competitions designated for the sex opposite to the student's sex at birth.

- Legislation regarding whether any state or local governmental entities in Texas can mandate that an individual receive a COVID-19 vaccine and, if so, what exemptions should apply to such mandate.
- Legislation similar to Senate Bill 474 as passed by the 87th Legislature, Regular Session, but that addresses the concerns expressed in the governor's veto statement.

TCEQ Adopts Alternative Language Notice Requirements

On September 10, 2021, the Texas Commission on Environmental Quality (TCEQ) [adopted rules](#) that require certain proceedings and applications for TCEQ permits be translated in an alternative language. Specifically, the rules apply to: (1) all air quality permit applications; and (2) water quality or waste permit applications when the closest elementary or middle school nearest to the facility or proposed facility is required by Texas law to provide a bilingual education program. The rules apply only to applications declared by the executive director of TCEQ to be administratively complete on or after May 1, 2022.

Additionally, applicants required to publish an alternative language notice of their permitting action are also required to: (1) translate notice of any public meeting for the applications; (2) provide professional interpretation services at any public meeting; and (3) translate certain information related to a contested case hearing. The required translations will likely result in additional costs for cities seeking these permits.

TCEQ Seeks Stakeholder Input on Upcoming Rulemaking Related to Onsite Sewage Facilities

TCEQ is holding five virtual stakeholder meetings in September and October to present and take comments on rulemaking for on-site sewage facilities and occupational licenses and registrations. Stakeholder meetings are an opportunity to provide informal comments before formal rulemaking begins. These meetings resulted from petitions that seek to amend rules in Title 30, Texas Administrative Code, Chapters 285 and 30 to:

- Make OSSF regulations more consistent with industry terminology and standards.
- Help identify responsible parties, including definitions of TCEQ licensed individuals.
- Create a new licensing and registration program for sludge pumpers.

More information can be found [here](#).

Washington Update

NFIP Reauthorization Coalition Letter to Congress

Mayor Craig Brown and City Manager Brian Maxwell joined other Coalition for Sustainable Flood Insurance (CSFI) in support of a one-year extension of the National Flood Insurance Program that would also delay implementation of the Risk Rating 2.0.

NFIP current reauthorization expiring September 30 and Risk Rating 2.0 scheduled to be implemented on October 1. On September 13, the [NFIP Extension Act of 2021](#), authored by Senators Bill Cassidy, (R-LA), John Kennedy (R-LA), Cindy Hyde-Smith (R-MS), and Bob Menendez (D-NJ), was introduced, extending the program for one year. CSFI will submit a letter this week expressing priorities and concerns to Congress. The letter includes three main points:

- Affirms support for NFIP reauthorization
- Emphasizes priority of lower rate caps in any long-term reauthorization
- Requests delay of implementation of Risk Rating 2.0

The letter signed by stakeholders will be delivered to members of Congress on Monday, but you can review the letter by [clicking here](#).

Treasury Releases explainer on Interim Final Rule Process for State and Local Fiscal Recovery Funds

Last Friday the Treasury Department posted additional information regarding the interim final rule process for Coronavirus State and Local Fiscal Recovery Funds (SLFRF). The [Interim Final Rule \(IFR\) Explainer](#) includes more information on the conclusion of the public comment period and applicability of the IFR. Treasury expects its review of the comments received on the IFR to continue into the fall. The explainer notes that “Until Treasury adopts a final rule and the final rule becomes effective, the Interim Final Rule is, and will remain, binding and effective” and “Funds used in a manner consistent with the Interim Final Rule while the Interim Final Rule is effective will not be subject to recoupment.” The document can be found on the [SLFRF program page](#) under “Funding Objectives.” The Interim Final Rule can be found [here](#).

FTA Transit Grant Funding for Pandemic-associated Needs

[FTA Announces Availability of \\$2.2 Billion in Transit Funding](#): The Federal Transit Administration (FTA) announced a [Notice of Funding Opportunity](#) for \$2.2 billion in competitive grant funding for transit systems demonstrating additional pandemic-associated needs. The [Additional Assistance Funding](#) was authorized in ARPA. Applications are due by November 8.

FEMA Updates Flood Insurance Manual

The Federal Emergency Management Agency (FEMA) [released](#) a new edition of its Flood Insurance Manual, to be used for rating new business policies with effective dates on or after October 1, 2021. The manual presents guidance for FEMA’s new rating methodology, known as [Risk Rating 2.0 – Equity in Action](#), which provides more accurate flood insurance premiums, better communicates flood risk to individuals and promotes action to mitigate against flooding.

FEMA Updates Public Assistance Policy for COVID-19

The Federal Emergency Management Agency (FEMA) updated its [COVID-19 Pandemic: Safe Opening and Operation Work Eligible for Public Assistance](#). The interim policy supersedes version 1 published on April 5, 2021 and extends the applicable period of eligibility to the beginning of the incident period and the period of 100 percent federal cost share from the beginning of the incident period to December 31, 2021. This updated interim policy retroactively extends the period of work eligibility to the beginning of the incident period. It also specifies that work conducted from the beginning of the incident period through December 31, 2021 will be reimbursed at a federal cost share of 100 percent. The updated policy implements the August 17 Presidential [memorandum](#).

Congress Returns to Work on Budget Reconciliation and Infrastructure Bills

Congress reconvened this week after an abbreviated August recess. Thirteen House committees worked to produce the legislative language to meet the budget resolution instructions for the \$3.5

trillion budget reconciliation bill, the Biden Administration's "Build Back Better Act." A path to passage is hard to predict. Moderate Democrats have indicated opposition to the price tag and insist the \$1.5 trillion bipartisan infrastructure legislation (H.R. 3684) receive a vote first. Progressive Democrats will vote against the bipartisan infrastructure legislation unless tied with the budget reconciliation bill. The loss of three Democratic votes could sink the budget reconciliation bill. House Speaker Nancy Pelosi (D-CA) has scheduled a floor vote for September 27th, but this is likely to slip. Meanwhile, the margin is even tighter in the evenly divided Senate where Senators Joe Manchin (D-WV) and Krysten Sinema are opposed to the \$3.5 trillion budget reconciliation package.

The House Committee on Transportation and Infrastructure (T&I Committee) approved its portion of the budget reconciliation bill by a party-line vote. The T&I Committee portion of the bill includes: \$10 billion for a new "Affordable Housing Access Program" for competitive grants for public transit access to affordable housing and to enhance mobility for low-income riders and residents of disadvantaged communities. These funds will remain available until September 30, 2026, with a federal share of up to 100 percent.

The Department of Housing and Urban Development (HUD) and the Federal Transit Administration (FTA) shall establish criteria and a process for allocating funds under the program to ensure support for:

- transit access to affordable housing;
- enhanced mobility for riders and residents of disadvantaged and other communities; or
- other community benefits for low-income riders and residents of disadvantaged communities related to enhanced transit service, including access to jobs, education, medical care, and grocery stores with fresh foods.

Funds will be available to public transit grant recipients and subrecipients (including urbanized areas). FTA will administer the program and FTA grant requirements will apply. Eligible activities include:

- construction of new fixed guideway capital projects;
- construction of bus rapid transit projects that utilize zero-emission vehicles;
- establishment or expansion of high-frequency bus service that utilizes zero-emission buses;
- expansion of the service area or frequency of transit service (including operating expenses);
- renovation or construction of facilities to continue or expand transit service in disadvantaged communities or service that benefits low-income riders;
- research activities that support efforts to reduce barriers to deployment of zero-emission transit vehicles in disadvantaged communities and rural areas;
- training and development of the transit workforce that provides service to disadvantaged communities and rural areas;
- additional assistance to project sponsors of new fixed guideway projects, core capacity projects, and corridor-based bus rapid transit projects not yet open to revenue service;
- public transportation planning; and
- projects to upgrade the accessibility of bus or rail public transportation services for persons with disabilities in disadvantaged communities.

Other items of interest for Galveston could be: \$500 million to the Federal Emergency Management Agency's (FEMA) hazard mitigation revolving loan fund program; \$2 billion to invest in sewer overflow and stormwater reuse projects, as well as a greater federal coast share for projects that serve financially distressed communities; and \$6 billion to advance local surface transportation projects.

If you have any questions or need additional information, please do not hesitate to contact me.